

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE

JASON GOLDMAN; JEFFEREY WEAVER;
BILLIE JO WHITE; NANCY ALEXANDER;
KATE KRAMER; BRANDON WATTERS;
PRICILLA PARKER and PATRICK PARKER;
and BARRY AMAR-HOOVER; Individually
and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

REALPAGE, INC.; THOMA BRAVO L.P.;
APARTMENT INCOME REIT CORP., d/b/a
AIR COMMUNITIES; ALLIED ORION
GROUP, LLC; APARTMENT
MANAGEMENT CONSULTANTS, LLC;
AVALONBAY COMMUNITIES, INC.;
AVENUE5 RESIDENTIAL, LLC; BELL
PARTNERS, INC.; BH MANAGEMENT
SERVICES, LLC; BOZZUTO
MANAGEMENT COMPANY; BROOKFIELD
PROPERTIES MULTIFAMILY LLC;
CAMDEN PROPERTY TRUST; CH REAL
ESTATE SERVICES, LLC; CONAM
MANAGEMENT CORPORATION; CONTI
CAPITAL; TF CORNERSTONE, INC.;
CORTLAND MANAGEMENT, LLC; CWS
APARTMENT HOMES LLC; DAYRISE
RESIDENTIAL, LLC; EQUITY
RESIDENTIAL; ESSEX PROPERTY TRUST,
INC.; FPI MANAGEMENT, INC.;
GREYSTAR MANAGEMENT SERVICES,
LP; HIGHMARK RESIDENTIAL, LLC;
INDEPENDENCE REALTY TRUST, INC.;
KAIROI MANAGEMENT, LLC;
KNIGHTVEST RESIDENTIAL; LANTOWER
LUXURY LIVING, LLC; LINCOLN
PROPERTY COMPANY; LYON
MANAGEMENT GROUP, INC.; MID-
AMERICA APARTMENT COMMUNITIES,
INC.; MISSION ROCK RESIDENTIAL, LLC;
MORGAN PROPERTIES MANAGEMENT
COMPANY, LLC; PINNACLE PROPERTY

Case No. 3:23-md-03071

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

MANAGEMENT SERVICES, LLC;
PROMETHEUS REAL ESTATE GROUP,
INC.; THE RELATED COMPANIES L.P.;
RELATED MANAGEMENT COMPANY L.P.;
ROSE ASSOCIATES, INC.; RPM LIVING,
LLC; SARES REGIS GROUP COMMERCIAL,
INC.; SECURITY PROPERTIES INC.;
SHERMAN ASSOCIATES, INC.; SIMPSON
PROPERTY GROUP, LLP; THRIVE
COMMUNITIES MANAGEMENT, LLC;
TRAMMELL CROW COMPANY, LLC; B/T
WASHINGTON, LLC d/b/a BLANTON
TURNER; UDR, INC.; WINDSOR
PROPERTY MANAGEMENT COMPANY;
WINNCOMPANIES LLC;
WINNRESIDENTIAL MANAGER CORP.;
AND ZRS MANAGEMENT, LLC;

Defendants.

Plaintiffs Jason Goldman, Jefferey Weaver, Billie Jo White, Nancy Alexander, Kate Kramer, Brandon Watters, Pricilla Parker and Patrick Parker, and Barry Amar-Hoover, individually and on behalf of all others similarly situated (the “Class,” as defined below), upon personal knowledge as to the facts pertaining to themselves and upon information and belief as to all other matters, and upon the investigation of counsel, bring this class action complaint to recover treble damages, injunctive relief, and other relief as appropriate, based on violations of federal antitrust laws and state laws against Defendants RealPage, Inc., and Thoma Bravo L.P. (collectively, “RealPage”); and Apartment Income REIT Corp., d/b/a Air Communities; Allied Orion Group, LLC; Apartment Management Consultants, LLC; AvalonBay Communities, Inc.; Avenue5 Residential, LLC; Bell Partners, Inc.; BH Management Services, LLC; Bozzuto Management Company; Brookfield Properties Multifamily LLC; Camden Property Trust; CH Real Estate Services, LLC; CONAM Management Corporation; Conti Capital; TF Cornerstone,

Inc.; Cortland Management, LLC; CWS Apartment Homes LLC; Dayrise Residential, LLC; Equity Residential; Essex Property Trust, Inc.; FPI Management, Inc.; Greystar Management Services, LP; Highmark Residential, LLC; Independence Realty Trust, Inc.; Kairoi Management, LLC; Knightvest Residential; Lantower Luxury Living, LLC; Lincoln Property Company; Lyon Management Group, Inc.; Mid-America Apartment Communities, Inc.; Mission Rock Residential, LLC; Morgan Properties Management Company, LLC; Pinnacle Property Management Services, LLC; Prometheus Real Estate Group, Inc.; The Related Companies L.P.; Related Management Company L.P.; Rose Associates, Inc.; RPM Living, LLC; Sares Regis Group Commercial, Inc.; Security Properties Inc.; Sherman Associates, Inc.; Simpson Property Group, LLP; Thrive Communities Management, LLC; Trammell Crow Company, LLC; B/T Washington, LLC d/b/a Blanton Turner; UDR, Inc.; Windsor Property Management Company; WinnCompanies LLC; WinnResidential Manager Corp.; and ZRS Management, LLC (collectively, the “Lessor Defendants,” and together with RealPage, “Defendants”).

I. INTRODUCTION

1. From at least January 2016, through the present, Defendants engaged in a nationwide conspiracy to fix and inflate the price of multifamily rental housing across the country. Leveraging their control of the multifamily rental housing market from at least January 2016, Defendants each caused substantial damages to Plaintiffs and other members of the Class, whose ability to obtain affordable housing depended on getting competitive prices for the units they rented. Several witness accounts, including 10 discussed herein, rental price and occupancy data, economic evidence, and public investigations,¹ confirm this anticompetitive conduct.

¹ Heather Vogell, *Rent Going Up? One Company’s Algorithm Could Be Why.*, PROPUBLICA (Oct. 15, 2022), <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent> (ProPublica report shedding light on Defendants’ conspiracy and showing that rents in areas where

2. Defendants are RealPage, the developer of an integrated technology platform that provides a host of software solutions for the multifamily rental housing markets, including revenue management software (“RMS”) called “AI Revenue Management” (previously known as “YieldStar”),² and several managers of large-scale multifamily residential apartment buildings that used RealPage’s property management software to coordinate and agree upon rental housing pricing and supply.

3. Each Lessor Defendant agreed that: they would delegate their rental price and supply decisions to a common decision maker, RealPage; share the proprietary data necessary for RealPage to make those decisions; and, then abide by RealPage’s price and supply decisions. As RealPage put it, it offered clients the ability to “outsource daily pricing and ongoing revenue oversight”³ to RealPage, allowing Defendant RealPage to set prices for its clients’ properties “as though we [RealPage] own them ourselves.”⁴

4. Rather than function as separate economic entities, Lessor Defendants agreed to make key competitive decisions regarding the price and supply of multifamily apartments, collectively. As Emily Mask, an executive from property management company ECI Group explained, “[W]e are all technically competitors . . . [but RealPage] helps us to work together . . . to make us all more successful in our pricing . . . [RealPage] is designed to work with a community

RealPage clients control a high percentage of rental units have increased at a significantly higher rate).

² RealPage’s revenuemanagement software solutions will be referred to collectively herein as “revenue management software.”

³ Press Release, RealPage, Inc., YieldStar Offers Revenue Advisory Services to Multifamily Owners and Managers (Mar. 1, 2010), <https://www.realpage.com/news/yieldstar-offers-revenue-advisory-services-to-multifamily-owners-and-managers/>.

⁴ RealPage Renewal Reporting Presentation, MEDVE, <https://medve.com/assets/airm-renewal-reporting.pdf> (last accessed June 14, 2023).

in pricing strategies, not work separately . . . we rarely make any overrides to the [pricing] recommendations . . .”⁵

5. RealPage’s clients provide RealPage with vast amounts of their non-public proprietary data, including their lease transactions, rent prices, and occupancy and inventory levels. Each client’s proprietary data is fed into a common data pool, along with additional data collected by Defendant RealPage’s myriad other data-analytics and rental-management software products. RealPage then trains its machine learning and artificial intelligence across that pool of its clients’ proprietary data and uses algorithms to generate rental prices daily for each of RealPage’s client’s available units. Property managers agree to adopt RealPage’s pricing up to 80%-90% of the time, knowing that if they, alongside their co-conspirators, adhere to RealPage’s pricing decisions, they will collectively raise market prices and avoid price competition.⁶ Jeffrey

⁵ The RealPage e-book, *PROVEN: B & C Assets Ace the Market with RealPage: How Two Companies Pushed Performance Over 3+% Above Market (2019)* (hereinafter, “RealPage e-book B & C Assets Ace the Market”) (detailing two case studies in which RealPage clients achieved revenue growth and outperformed the market after adopting RealPage’s pricing recommendations. ECI Group achieved 5%-7% year-over-year revenue growth after adopting RealPage’s pricing recommendations and BH Management saw a 4.8% “outperformance to the market,” and 4% between its own properties using RealPage’s pricing recommendations against those that had not yet adopted RealPage pricing.

⁶ Moreover, witness accounts, discussed below, confirm that RealPage clients were aware that their proprietary information was being collected and pooled with that provided by their regional competitors and that RealPage’s pricing algorithm made use of this data superset. Indeed, RealPage is transparent about its use of pooled data in its “Revenue Management FAQs,” section, providing that in addition to a “variety of [other] sources, . . . competitor rent data is one of several data inputs” into the pricing algorithm. *Frequently Asked Questions About Revenue Management Software*, REALPAGE, INC., https://www.realpage.com/asset-optimization/revenue-management/?utm_source=google&utm_medium=cpc&utm_campaign=Spear++HDDR+Revenue+Management++Search&utm_content=search&utm_adgroup=Revenue+Management&utm_device=c&utm_keyword=ai%20revenue%20management&gad=1&gclid=Cj0KCQjwmZejBhC_ARIsAGhCqndpmEtz_7CgdbVOuCLdRHSOzIU42vJD2ors4fYig6K9svH0xlSoJ9saAna dEALw_wcB&showPdf=true (last accessed June 14, 2023) (hereinafter, “RealPage Revenue Management FAQs”).

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